VZCZCXRO0671 PP RUEHCI DE RUEHKT #0748/01 2240906 ZNY CCCCC ZZH P 120906Z AUG 09 FM AMEMBASSY KATHMANDU TO RUEHC/SECSTATE WASHDC PRIORITY 0618 INFO RUEHBJ/AMEMBASSY BEIJING 7076 RUEHLM/AMEMBASSY COLOMBO 7394 RUEHKA/AMEMBASSY DHAKA 2725 RUEHIL/AMEMBASSY ISLAMABAD 5436 RUEHLO/AMEMBASSY LONDON 6562 RUEHNE/AMEMBASSY NEW DELHI 3173 RUEHCI/AMCONSUL KOLKATA 4708 RHMFISS/CDR USPACOM HONOLULU HI RUEAIIA/CIA WASHDC RHEFDIA/DIA WASHDC RHEHNSC/NSC WASHDC RUEKJCS/SECDEF WASHDC RUCNDT/USMISSION USUN NEW YORK 3617

C O N F I D E N T I A L SECTION 01 OF 04 KATHMANDU 000748

SENSITIVE SIPDIS

DEPT FOR SCA/INSB

E.O. 12958: DECL: 08/12/2019

TAGS: PGOV PHUM PREL PTER KDEM UNSC IN NP

SUBJECT: UNMIN PESSIMISTIC ON NEPAL PEACE PROCESS PROSPECTS

OVER SHORT TERM

REF: A. KATHMANDU 737

¶B. KATHMANDU 732

TC. USUN NEW YORK 712

Classified By: Charge d'Affaires, a.i., Jeffrey A. Moon. Reasons 1.4 (b/d).

- 11. (C) Summary: The UN Secretary General's representative in Nepal, Karin Landgren, told P-5 missions on August 11 that prospects for Nepal's peace process over the next six to eight weeks are "slim." Obstacles include the failure of political leaders to develop a "high-level mechanism" for resolving ongoing disputes and Maoist refusal to engage in substantive discussions until the current controversy over "civilian supremacy" is resolved. Landgren recommended that P-5 governments encourage India to support formation of a unity government and to discourage the Indians from providing military aid -- especially lethal assistance -- to Nepal. Landgren also stated that, according to Maoist sources, Maoist leader Prachanda was not reappointed People's Liberation Army Supreme Commander during recent Politburo meetings. End Summary.
- ¶2. (C) On August 11, Karin Landgren, the Representative of the Secretary General at the United Nations Mission in Nepal (UNMIN), provided the following update on the Nepal peace process and related political issues for the heads of P-5 missions (except China, which did not attend). Landgren's overall assessment was that prospects for progress over the next six to eight weeks would be "slim."

Security Council Resolution

13. (SBU) Landgren noted that the July 23 United Nations Security Council resolution on Nepal expressed concern about deteriorating relations and lack of trust among the political parties and encouraged movement on the peace process through a high-level mechanism. The UNSCR urged the early reconstitution of the special and technical committees and called for the implementation of a plan to discharge and rehabilitate the 4,008 disqualified Maoist combatants in the cantonments monitored by UNMIN. The UNSCR encouraged the Government of Nepal (GON) to commit to action on a plan to discharge and rehabilitate the disqualified and to begin the integration process for the other former combatants. The

resolution, which for the first time in a UNSCR made reference to human rights concerns in Nepal, also encouraged UNMIN to assist with the process while the players considered alternatives to UNMIN monitoring. The next report to the Secretary General is due on October 30.

Political Progress Stalled

14. (C) Landgren's update focused on the three weeks since the UNSCR. She was concerned by the lack of progress towards creating a multi-party high-level political mechanism to work through the thorniest issues of the peace process and constitution drafting. UNMIN has advised the high-level mechanism to focus on core issues, stick to core people, prepare a work plan, and create a sub-structure for managing issues. UNMIN believes the four core tasks of the high-level mechanism are to decide terms of reference, reach an agreement regarding the issue of civilian supremacy, agree on the composition of the special committee, and address the issue of federalism in the new constitution. UNMIN has called for a return to the constitution drafting process and rejects as an empty argument the public discussion of whether constitution drafting or rehabilitation and integration should happen first. According to UNMIN, the GON should work on both concurrently.

Maoists Fail To Prove Commitment

15. (C) All of the parties claim they are committed to the process, but the Maoists say they cannot move forward on either constitution drafting or rehabilitation and

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integration until the GON addresses the issue of civilian supremacy over the Nepal Army. The Maoists have promised to continue dialogue at the top level and -- responding to UNMIN's concerns about their protest program (Refs A and B) -- offered reassurances that they would "calibrate" the program. Landgren told the P-5 group that although the Maoists intend to increase protests gradually, there is no guarantee that the situation will not get out of hand. UNMIN is calling for all parties to exercise restraint and stick to the peace agreements. Landgren also mentioned that, according to Maoist sources, Prachanda was not reappointed as Supreme Commander of the People's Liberation Army.

Discharge of the Disqualified

- 16. (C) Minister of Peace and Reconstruction Rakam Chemjong and the Maoist leadership held several meetings on July 25 and 29 to discuss the discharge of 4,008 disqualified persons from the cantonments. Talks included ideas for a transit center planning group and a higher committee to coordinate. Landgren said the process has been stalled because the Peace and Reconstruction Ministry lacks capacity and the Maoists lack the will to participate. UNMIN thinks that planning is the most important step the parties can take. Landgren implied that the new Peace Secretary, who begins next week, would help push things forward.
- 17. (C) UNMIN wants the Maoists to agree on providing three options for disqualified individuals: skills and training, microenterprises, and education. The Maoists failed to issue a press statement in mid-July agreeing to the discharge process, although both the GON and UNMIN released their own statements. Prachanda personally promised Landgren that the Maoists would release a paper committing to the discharge process at the conclusion of the party's Politburo meetings. The Maoists failed to do so.

Special and Technical Committees

18. (C) The technical committee "continues to meet but not work," according to Landgren. UNMIN has provided the committee with a non-paper describing its options for a mandate extension and political direction. Separately, the

composition of the special committee remains a sticking point. It is unclear whether the Maoists will insist on chairing the committee. The allocation of two Madhesi seats on the committee is particularly controversial. The two seats have been allocated to Deputy Prime Minister Bijay Gachhadar's breakaway faction of the Madhesi People's Rights Forum (MPRF) and to the Terai-Madhes Democratic Party. Upendra Yadav's MPRF has been left out but demand a seat. The Maoists claim the decision was made without full consultation, but whether the Maoists truly place much importance on this is also unclear.

Constitutional Drafting

 $\underline{\P}9$. (C) UNMIN does not know what can be done to satisfy the Maoists' insistence that constitution drafting cannot proceed before civilian supremacy issues are resolved. Possibilities include an amendment to the Military Act or to the Interim Constitution. UNMIN also is unclear as to whether the Maoists are serious about addressing this issue or are using this as a smokescreen to delay the peace process. (Note: Local observers have suggested that the Maoists are delaying the peace process until they can lead a new government. End note.) What is clear is that the text of the agreement in July that promised a resolution within one month of the civilian supremacy issue is very vague: the parties agreed to "initiate measures to form a consensus." The RSG also noted the constitutional concept papers that have been finalized do not actually reflect consensus; parties are being pushed to move the papers forward with dissent attached. (Note: Navodita Chaudhary, a Constituent Assembly member from the Rastriya Prajatantra Party, separately told Charge the same story on August 11. End note.)

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India's Role

- 10. (C) UNMIN wrote to the Minister of Defense on August 10 to express concerns about Nepal Army recruitment and the possibility that India would provide lethal and non-lethal assistance. The Government of India (GOI) has confirmed to UNMIN that the GON made a request but the Indians declined to specify the details. The GOI has "informally" conveyed to UNMIN that New Delhi did not think the GON had made an "unreasonable" request. The GOI has asked for GON's request in writing. UNMIN is concerned that this request -- especially lethal assistance -- would breach several provisions of the peace agreements. Landgren told the P-5 group that she recommended communicating to the GOI opposition to lethal assistance.
- ¶11. (C) Landgren emphasized that dealing with New Delhi is "critical" and making the Maoists feel less isolated is important. The Maoists suspect that India is keeping them out of the government and have moderated their anti-India rhetoric over the past month to prevent any further deterioration in relations. Regarding upcoming high-level GON visits to New Delhi, the RSG said having the GOI develop an action strategy would be useful. Landgren wondered what would persuade the GOI to encourage a unity government. The RSG posited the Maoists would not join a unity government under Prime Minister M.K. Nepal, but she continues to hear speculation that Baburam Bhattarai might be acceptable to the GOI as a potential Prime Minister.

Positive Developments

112. (C) Landgren described a handful of positive developments worth noting. She was pleased that the various players have been willing to put numbers on the table regarding integration -- discussions have settled on approximately 5,000 persons. Additionally, there are indications that various parts of the GON, including even the Department of Forestry, would be willing to accept former Maoist combatants into their ranks.

Speculation on GON's Future

113. (C) Speculation about the fate of the current government is widespread. Landgren shared a wildcard scenario that could force the formation of a new government: she heard that the Madhesis might resign if the Vice President is required to retake his oath in Nepali, causing the government to lose its majority and thereby to fall. Rumors that UNMIN has heard about an inevitable unity government after the Dashain holidays in late September have quieted down. One rumor that persists, based on the positive relationship between Maoist leader Prachanda and Nepali Congress leader G.P. Koirala (and on Koirala's notorious reluctance to give up power) is a government that includes the Maoists with Koirala as Prime Minister.

Options for Moving Peace Process Forward

- 114. (C) The P-5 heads of mission discussed options for moving the peace process forward:
- a UNSC visit to Nepal in October;a collective visit of diplomats in Kathmandu to a cantonment;
- high-level visitors from foreign capitals;
- high-level UN visitors;
- a European Union troika visit at the director level, possibly in October;
- P-5 call on the new Chief of Army Staff after he is sworn in on September 10;
- joint press releases

Comment

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115. (C) Landgren painted a realistic view of the short-term prospects for the peace process and development of a new constitution. The Prime Minister is on the defensive, and any progress on the peace process and constitution drafting seems unlikely under his leadership so long as the Maoists refuse to participate. MOON